

Aging in Rural and Regional Australia

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As in the United States, population aging has important implications for social and economic policy and planning in Australia. In 1946, Australians age 65 and older numbered 600,000, or 8 percent of 7.5 million people nationwide. By 2000, older Australians had quadrupled to 2.36 million people, 12 percent of the population (Australian Bureau of Statistics, 2002). And in another 50 years, this proportion is expected to double with one in four Australians, or 6 million people, age 65 and over (Haberhorn; Australian Bureau of Statistics, 1996, 1999b).

This development is characterized by sustained fertility declines and improved longevity, with international migration exerting only a modest impact. If net migration were zero between 1999 and 2051, instead of the 70,000 per year projected by the Australian Bureau of Statistics, the median age of the projected 2051 population would be 47 instead of 44 years (Australian Bureau of Statistics, 1999a). The accelerated increase in the number of older Australians over the next 50 years, compared with the previous 50 years, is the result

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This article examines the spatial dimension of population aging in Australia, which over the past five decades saw the number of Australians 65 and older quadruple to 2.36 million people in 2000. It reviews some basic sociodemographic and socioeconomic attributes characterizing older Australians, and discusses likely future scenarios, and some of the more immediate social and economic implications for rural and regional Australia, such as aging's impact on agriculture and natural resources management, and the viability of rural communities.

of Australia's baby boomers' steady march toward retirement and old age. Improvements in living standards and conditions have boosted life expectancies to 77 years for men and 82 years for women. Yet, unlike most other developed countries, which have both high rates of urbanization and geographically balanced populations, Australia's physical and population geography adds a different dimension to population aging. With 83 percent of Australia's population living within 50 kilometres of the coast, with half the continent accounting for just 0.3 percent of the population, and with internal migration rather than natural increase determining regional growth and population distribution, some parts of the country age considerably faster than others.

Population Aging in Rural and Regional Australia

According to the current Australian Standard Geographic Classification System (Australian Bureau of Statistics, 1999a), rural Australia comprises populations liv-

ing in population centers of less than 1,000 people. This amounts to 14 percent of the population, a percentage that has remained unchanged over the past 20 years. Population centers between 200-999 residents are referred to as bounded rural localities and those with less than 200 people are referred to as rural (Australian Bureau of Statistics, 1999a). Everything else is considered urban. Since small population enclaves outside capital cities or other major regional centers are more often than not urban "sleeping/commuting" settlements rather than "rural" communities with agricultural or other related amenities, and since larger communities can be both urban (size) and rural (economic/biophysical amenities) in nature (Haberhorn), this article refers to rural and regional Australia in terms of geographic accessibility and remoteness. Hence, rural encompasses coastal, inland, and remote regions (fig. 1), in line with a recent classification system proposed by the Australian

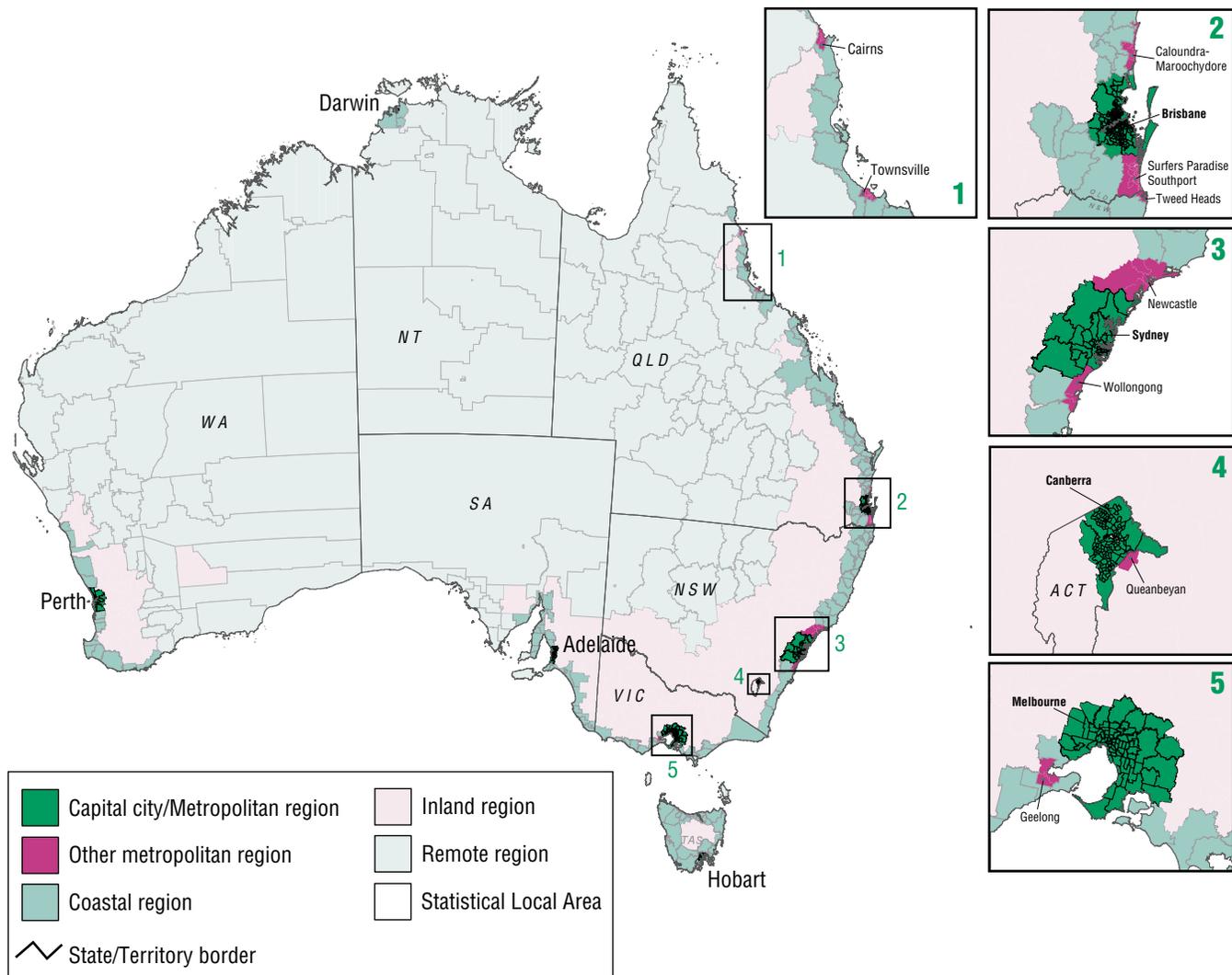
Bureau of Agricultural and Resource Economics.

Applying this typology highlights some immediate contrasts in terms of regional population aging. Older Australians account for just 6.6 percent of the population in remote Australia, versus 14.2 percent throughout coastal Australia

where some of the more popular areas already have 20 percent or more of their populations age 65 and older (table 1). While small overall populations, a more pronounced presence of indigenous Australians in remote areas, and their much higher mortality rate may account for some of these dif-

ferences, internal migration has a more prominent impact on the population makeup and on aging right across rural and regional Australia (Hugo; Australian Bureau of Statistics, 2002). Retirement-motivated migration to coastal areas and major regional centers largely accounts for the smaller

Figure 1
Regional Australia



Source: Australian Bureau of Statistics, Statistical Local Area Boundaries (1996); Australian Bureau of Agricultural and Resource Economics (ABARE) Regional Classification (2001); and Country Australia; 2001 Garnaut et al., 2001.

Table 1

Sociodemographic and socioeconomic attributes of older Australians*The number of older Australians is expected to increase 56 percent by 2017*

Attribute	Metropolitan	Other metro	Coastal	Inland	Remote	Total
Total population, 1999	12,109,873	1,732,783	2,207,174	2,432,080	481,382	18,963,292
Older Australians (65+)	1,419,248	235,388	313,457	321,867	31,918	2,321,878
Share of total population (percent)	11.7	13.6	14.2	13.2	6.6	12.2
Annual population growth (65+)						
Annual growth 1991-96 (percent)	2.2	3.5	3.3	2.2	2.9	2.5
Proportional increase (percent)	11.8	19.0	17.8	11.4	15.3	15.3
Sex ratio (males/100 females)	70	76	83	76	105	74
Labor force participation (percent)						
Total	5.3	3.8	5.7	9.8	11.2	5.9
Females	2.9	2.2	3.2	5.4	7.0	3.3
Males	8.6	5.7	8.6	15.3	15.0	9.3
Ratio of full to part-time employment						
Females (percent)	0.4	0.4	0.7	1.1	1.1	0.6
Males (percent)	1.0	0.8	1.4	2.0	1.8	1.2
Median individual income (percent)						
< A\$ 200/week, Females	58	59	61	60	60	59
< A\$ 200/week, Males	50	51	54	54	52	51
> \$400/week: Females	7	5	5	5	7	6
> \$400/week: Males	17	13	13	12	13	15
65+ population growth, 1999-2017						
No. of older Australians in 2017	2,229,601	376,928	506,960	451,057	47,528	3,612,074
Increase in share	57	60	62	40	49	56
Annual growth rate (percent)	2.5	2.6	2.7	1.9	2.2	2.5
Numerical aging (increase in no.)	810,353	141,540	193,503	129,190	15,160	1,290,196
Structural aging (percent)	(12 -> 16)	(14 -> 18)	(14 -> 20)	(13 -> 19)	(7 -> 10)	(12 -> 17)

Note: where not otherwise indicated, figures refer to 1996.
Source: Australian Bureau of Statistics data.

proportion of older Australians living in remote Australia.

Consequently, the number of people 65 and older in other (mainly coastal) metropolitan areas and coastal Australia increases 3.5 and 3.2 percent per year, compared with a national average of 2.5 percent. The more popular coastal destinations in the heavily populated Southeast showed 65-and-over populations growing in excess of 7 percent per year. At these rates,

their current older population would double in just 10 years.

Characteristics of Older Australians

Given greater life expectancies for women (82 years) than men (77 years), older women constitute a much larger proportion of Australia's older population. In 1999, women accounted for 58 percent of Australia's population age 65 and older. This pattern holds true everywhere but for

remote Australia, where men outnumber women (105 to 100, versus a national average of 74 per 100). This discrepancy reflects gender-specific migration. With a much smaller proportion of older women currently married (42 percent) than older men (71 percent), women living alone are more prone to do so in larger regional centers in coastal or metropolitan Australia, areas with more comprehensive social services and amenities catering to older Australians.

Marital status and current living arrangements vary considerably between older men and women, and to some extent between different parts of Australia (table 1). There is a greater share of widows (47 percent) than widowers (15 percent) among older Australians, which is the result of various factors: different life expectancies, a tendency for women to marry older partners, and a higher incidence of widowers remarrying or entering de facto unions. This pattern, as well as the incidence of living alone, holds true across Australia with the exception of remote Australia, which has a higher proportion of older men living alone and a smaller proportion of older women doing so.

Major changes occur in people's sources and levels of income as they grow older, with average incomes falling markedly with age (Australian Bureau of Statistics, 1999c). The vast majority of older Australians is retired from full-time work, supported by government pensions and allowances (74 percent) and superannuation (9 percent)—a retirement scheme where employers and employees contribute a fixed percentage of employee income into a retirement fund that is accessible upon retirement, but not before one's 55th birthday. Another source of income is assets and investments.

Six percent of older Australians are still in the labor force, and male labor force participation (9.3 percent) is three times that of women (3.3 percent). Labor force participation also varies dramatically between regions: 15 percent of older men across inland and remote Australia are still working, about twice the rate compared with metropolitan and coastal regions. A similar pattern holds for women

(table 1). Higher labor force participation rates among the elderly in inland and remote Australia are primarily linked to agriculture. Most farmers and graziers do not necessarily retire at age 60 or 65, as indicated by their highest median age across occupations (Haberkorn et al.). And many coastal regions, particularly in the country's populated Southeast, are popular retirement destinations.

Nationally, about equal numbers of older Australian men still in the labor force are full-time and part-time, while part-time workers are more prominent among older women. A different pattern emerges across rural and regional Australia. Nearly twice as many older men in inland and remote

Australia, and a slightly higher proportion of older women, are engaged in full-time than part-time employment. This regional difference is due to a continued involvement in agriculture well past retirement age, the possibility of a greater economic need for older Australians in rural and regional Australia to remain economically active, and a labor market offering fewer part-time employment opportunities than in metropolitan Australia.

No such regional differences emerge in terms of incomes of older Australians (table 1). About 55 percent of older Australians in 1996-97 earned less than A\$ 200 per week, and only 10 percent enjoyed earnings of more than

Regional Classification

Metropolitan

All of Australia's capital cities, which, with the exception of Canberra, are all located along the coastline.

Other metropolitan

All statistical local areas, other than those on a capital city, that contain whole or part of an urban centre with more than 100,000 population. These are Cairns, Townsville, Sunshine Coast, Gold Coast-Tweed (Queensland), Newcastle, Wollongong (New South Wales) and Geelong (Victoria)—all of which are located along the coastline.

Remote

Statistical local areas classified as "remote" or "very remote" in the Accessibility/ Remoteness Index of Australia (1999). Remoteness is related to the minimum road distances between each populated locality in the statistical local area and the nearest urban centre in four categories, ranging from 5,000 to 100,000 people.

Coastal

Statistical local area in coastal areas that are not remote but are generally within 80 km of the coastline. A few statistical local areas with little settlement on the coast but a large area inland are classified as inland.

Inland

Remaining statistical local areas.

Source: J. Garnaut et al.

A\$ 400 per week. Older men fare better than older women, with fewer in the lower income group, and more than twice as many earning more than A\$ 400 a week. Given the average Australian taxable weekly income of around A\$ 600 in 1996-97 (Haberhorn et al.), this situation illustrates the high level of dependence by older Australians on government pensions and allowances, which currently represent the principal source of income for three in four older Australians. The proportion of people age 45 and over holding employment-sponsored or private superannuation coverage has increased from 35 percent to 58 percent from the mid-1980s to the late 1990s (Australian Bureau of Statistics, 1999c). This will reduce the proportion of older Australians' dependence on government pensions. However, growing numbers of older Australians, and of older Australians living longer, will mean continued and additional demands for government support and services.

Older Australians in 2017

According to recent population projections by the Australian Bureau of Statistics (ABS, 1997), Australia's population is expected to grow by 13 percent to around 21.5 million people by 2017. The number of older Australians is expected to increase by 56 percent, reaching 3.6 million people during the same time period, with the oldest old (Rogers)—age 85 and over—increasing even faster (75 percent) and expected to top 420,000 people in 2017. Thus, in 2017, Australia is expected to have about 2.5 million people more than in 1999, with half of this increase (1.29 million) comprising people age 65 and older.

Not surprisingly, most of this growth will be concentrated in metropolitan Australia (63 percent) and other metropolitan centers (11 percent), as well as along Australia's coastline in southeastern and western Australia (15 percent). This estimated growth translates into an additional 1 million older Australians across the country's major cities, and an additional 200,000 older Australians along the coast, boosting the number of older Australians there to just over half a million people in 2017 (table 1). Coastal Australia leads the nation in both numerical and structural aging (Jackson), with an estimated 62-percent increase in the number of older Australians residing there between 1999 and 2017, and with the proportion of older Australians estimated to make up 20 percent of the coastal population in 2017.

While only 1.2 percent of the additional 1.29 million older Australians is expected to reside in the more remote parts of rural and regional Australia, this still represents a 50-percent increase in the number of older Australians in the most remote parts of the country. Inland Australia shows the smallest growth of older Australians; however, in terms of structural aging, its older population is still expected to grow to 19 percent of the total population in 2017, largely as the result of younger people migrating elsewhere.

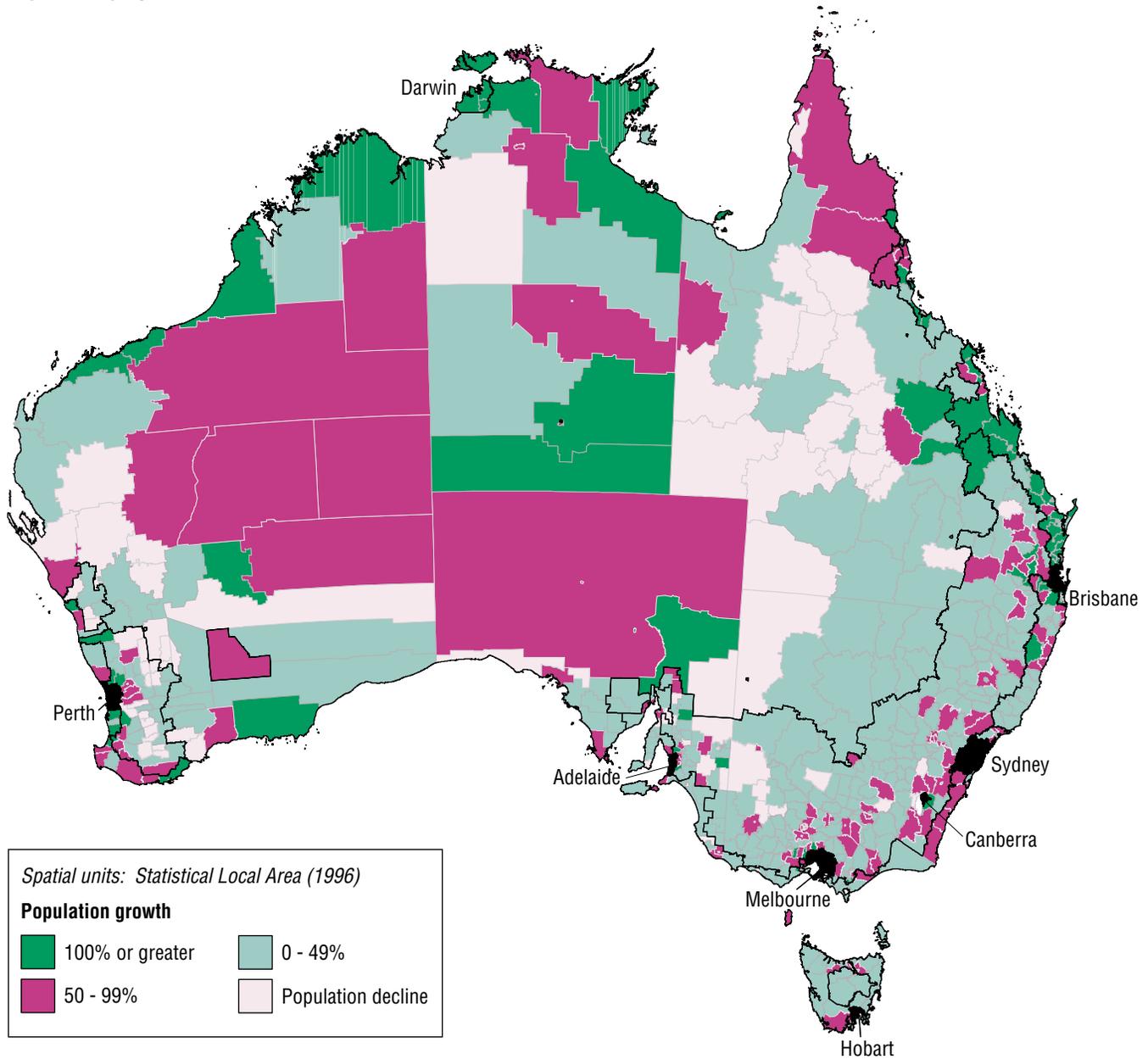
Statistical local areas (SLA), which in most of nonmetropolitan Australia are synonymous with Local Government areas (the Australian equivalent to U.S. counties), further illustrate that population aging over the coming years is expected to vary considerably across the continent (fig. 2). This

has important policy and planning implications for rural and regional Australia. With metropolitan and coastal Australia leading in numerical aging, and coastal Australia attracting the highest proportional increase of its older population, there are also 35 SLAs in remote rural and regional Australia expected to more than double their current populations of older Australians, with an additional 48 SLAs showing an increase of more than 50 percent. While some of these very high growth rates—such as in the Northern Territory and central Western Australia—are based on small population numbers, they nevertheless highlight that some major demographic shifts are taking place in these communities. An additional 100 people 65 and older between now and 2017 in a remote community may not be considered a policy priority, but with these areas already experiencing great difficulties regarding the provision of specialized services for the elderly, they might experience disproportionate difficulties accommodating growing demands in the future.

Implications of Aging for Australia

Population aging poses many important challenges for planners and policymakers at all levels of government, as well as for the private sector. Rural and regional Australia must brace for the impact on agriculture and natural resources management, the declining social capital and viability of remote rural communities, and the emergence of growing equity issues regarding the provision of services for the elderly.

Figure 2
Population projections, 1999-2017



Source: Australian Bureau of Statistics, Statistical Local Area Boundaries (1996); Australian Bureau of Agricultural and Resource Economics (ABARE) Regional Classification (2001); and Country Australia; 2001 Garnaut et al., 2001.

Impact on agriculture and natural resources management

Since the median age of Australia's farmers is currently 50 years (and in some broadacre farming areas over 55 years), there is a growing concern that there may be insufficient numbers of younger workers to replace the current generation. A recent study (Barr) suggests that by 2021, the number of farmers may have declined by 40 to 60 percent. With a large proportion of rural properties changing ownership and corporate agriculture gaining in prominence, it remains unclear what impact this change will have on Australian farming and the rural social landscape. However, given the modernization of farming and reduced attractiveness of the farm lifestyle to many young rural people (Cary et al.), both farm and rural populations, as well as agricultural production systems, are expected to vary considerably from what is found today.

From a simple production and economic angle, it could be argued that farmers in their late 50s are likely to respond differently to specific policies or programs (such as accepting an agricultural restructuring package or considering diversifying into new crops or rural-based industries) than colleagues 20 years younger. Policy and program success will vary with age, as farmers nearing the end of their working life will have different motivations than colleagues with 15 to 20 years left in the industry.

The aging of farmers and land managers also has important implications for resource management practices and outcomes. Older farmers are often categorized as less likely to adopt sustainable

practices and more traditional in their approaches to management. As such, the rapid aging of key natural resources managers does not augur well for much of the Australian environment, which faces unprecedented dryland and water salinity problems.

Smaller families, a much greater incidence of single-person households and childlessness, and booming divorce rates mean that when baby boomers turn 65, they will have fewer family resources to rely on.

Rural aging is critical when it comes to intergenerational transfers of land and agricultural production. This appears to be most problematic in the case of marginal farming operations, particularly wool- and sheep-dependent enterprises in the rangelands, where older graziers may hang on to their properties, unable to sell or transfer their properties to their sons and daughters. Increased life expectancies coupled with economic hardships may postpone succession planning to a time when heirs have already left the area. An immediate consequence of such scenarios could be a gradual amalgamation of already quite large properties into even more expansive grazing operations. This development could set

off a dynamic of its own, with growing areas of land occupied by declining populations having potentially more adverse impacts on land use, environmental management, and the continued viability of local communities.

Impact on agriculture and natural resources management

With many young adults leaving rural and regional communities for education and employment elsewhere (Hugo), important local social capital is lost. Such abandoned communities struggle to redefine themselves in a rapidly changing environment. This situation is exacerbated by the departure of entire families. With populations small and widely dispersed, many rural and regional communities find it hard to offer basic schooling and sporting competitions, activities that youngsters and their families in most urban areas take for granted. The movement of entire families puts even greater pressure on those remaining behind, thus perpetuating a vicious circle of rural outmigration.

The continued viability of small rural and regional communities is also threatened when older residents retire to larger regional centers or the coast, which offer (or are perceived to offer) better basic services and a wider range of services and activities for older Australians. In these circumstances, equally valuable social capital is lost, particularly considering that older people donate proportionately more time to voluntary activities than younger generations (Australian Bureau of Statistics, 1997). This is particularly critical in the absence of, for example, organized child care, and where older relatives (grandparents,

uncles/aunts) perform the roles and tasks undertaken by specialized service providers in more populated areas.

Access to services

Pronounced shifts in the age structure of rural and regional Australia, particularly in communities small in population but large in area, pose formidable challenges to service providers, public and private. As with rural outmigration, particular developments feed on a momentum of their own. For example, specialist services for older people, particularly in health and social services, often do not exist or gradually disappear because of a declining customer base or considerations of economies of scale, as reflected in the growing amalgamation of services. Older people leave not only, or primarily, due to declining services and social/community amenities, but this certainly enters into their decision to leave.

Australia's population over the coming 50 years will age primarily due to the graying of its baby boomers. It is important to acknowledge in this context that many sociodemographic developments associated with the baby boom generation, and those born in the 1970s, will have significant bearings on their future well-being. Smaller families, a much greater incidence of single-person households and childlessness, and booming divorce rates mean that when baby boomers turn 65, they will have fewer family resources to rely on. The good news is that many aging baby boomers will be better off in terms of superannuation, investments, savings, education, and professional versatility than

their parents. The downside is that demands for nursing home places will increase dramatically because of declining or non-existing family resources on hand, rapidly growing numbers, and increased longevity. If the U.S. experience serves as an

example, where "aged care facilities serve only 5 percent of the elderly at any one point in time, but consume the largest proportion of public dollars spent on the elderly" (Rogers), Australia can anticipate a similar challenge. ^{RA}

For Further Reading . . .

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